

Changes on the Horizon: Kentucky Health Care Reform Under Governor-Elect Matt Bevin

This webcast will begin promptly at 12:00 PM EDT



Follow Steptoe & Johnson on Twitter:
[@Steptoe_Johnson](https://twitter.com/Steptoe_Johnson)

ALSO FIND US ON



<http://www.linkedin.com/companies/216795>



<http://www.facebook.com/Steptoe.Johnson>

© 2015 Steptoe & Johnson PLLC . All Rights Reserved.

Today's Presenters



James H. Newberry Jr.
Member
Lexington, KY

jim.newberry@steptoe-johnson.com
859.219.8226



Stephen L. Miller
Of Counsel
Louisville, KY

steve.miller@steptoe-johnson.com
502.423.2051



Jami K. Suver
Of Counsel
Huntington, WV

jami.suver@steptoe-johnson.com
304.526.8148

Kentucky Elects New Governor

- Republican Matt Bevin was elected governor of Kentucky on November 3.
- He achieved a surprising margin of victory over Democrat Jack Conway.
- Bevin's platform included health care-related reforms in several areas:
 - Health Insurance Exchange
 - Medicaid Expansion
 - Certificate of Need
 - Reorganizing Cabinet for Health and Family Services

Health Insurance Exchange

- Kynect is the state-run health insurance exchange program, which Democratic Governor Beshear put in place.
- Bevin asserts that Kynect is duplicative and therefore unnecessary, and plans to transition to the federal exchange program by the end of 2016.
- Closure requires 12 months notice to the federal government and development of a transition plan for those on Kynect. To terminate the state exchange at the end of 2016, Bevin would need to notify federal government by January 1, 2016 of Kentucky's intent to do so.

Medicaid Expansion

- Under the Affordable Care Act, Kentucky expanded its Medicaid program to cover approximately 400,000 additional individuals.
- Bevin proposes seeking a federal waiver to customize a Kentucky plan.
- Some states, such as Indiana, have achieved federal waivers in an effort to control costs. Bevin has suggested he intends to use Indiana's program as a model.

Medicaid Expansion - Indiana's Example

- Indiana's federal waiver program relies on health savings accounts to implement premiums, which are a condition of eligibility for certain non-medically frail beneficiaries and range from \$1 to \$27 per month.
- Certain adults above the federal poverty level who are disenrolled for non-payment of premiums cannot re-enroll for six months.

- Indiana's program waives non-emergency medical transportation for most newly eligible adults for one year.
- The program implements graduated ER visit co-payments (\$8 for first visit, \$25 thereafter) for one year, which may be extended based on results of control-group comparison assessment of effect on non-emergency ER use.

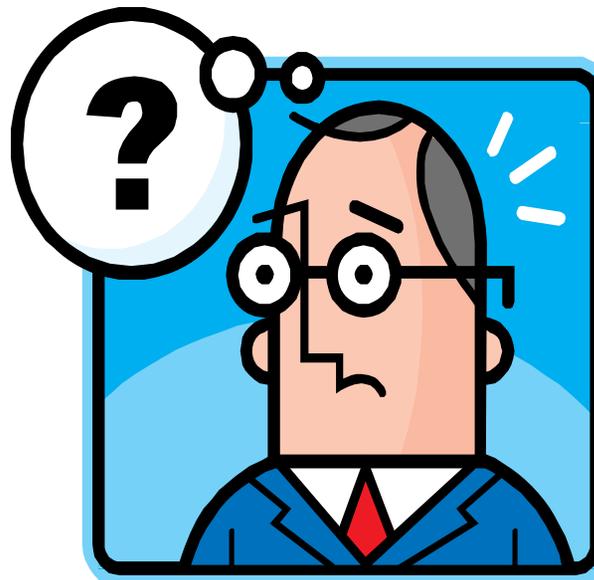
Certificate of Need

- Bevin proposed changes to Kentucky’s Certificate of Need program, the state mechanism for overseeing expansion of certain health care services and facilities, with the objective of controlling health care costs.
- He also proposed loosening some regulations, such as easing “Scope of Practice” rules to enable nurse practitioners to provide some services that are currently provided only by physicians.

Reorganization of Cabinet

- Kentucky's Cabinet for Health and Family Services is a large bureaucracy, with more than 30 agencies, divisions, advisory commissions, councils, and boards.
- In particular, Bevin has said Department for Community Based Services must be reorganized.
- In 1996, the Cabinet was divided into 1) health and Medicaid and 2) other social services. The Cabinet was recombined in 2004.
- Such a reorganization would be in keeping with Bevin's stated goal of reducing the size of state government and consolidating or eliminating non-essential boards and commissions.

QUESTIONS?



Healthcare Resources



James H. Newberry Jr.
Government Relations



Stephen L. Miller
Environmental/Regulatory



Jami K. Suver
Healthcare/Compliance



Protecting Those Who Protect the Rest of Us



Walter L. Williams
Healthcare Transactions



William E. Galeota
Healthcare Litigation



Charles A. Sinsel
Healthcare Team Leader



Gordon H. Copland
Healthcare Litigation/CON



Cara N. Parcell
Healthcare Transactions/CON

Material Disclaimer

These materials are public information and have been prepared solely for educational purposes. These materials reflect only the personal views of the authors and are not individualized legal advice. It is understood that each case is fact-specific, and that the appropriate solution in any case will vary. Therefore, these materials may or may not be relevant to any particular situation. Thus, the authors and Steptoe & Johnson PLLC cannot be bound either philosophically or as representatives of their various present and future clients to the comments expressed in these materials. The presentation of these materials does not establish any form of attorney-client relationship with the authors or Steptoe & Johnson PLLC. While every attempt was made to ensure that these materials are accurate, errors or omissions may be contained therein, for which any liability is disclaimed.